

Financial Assistance & Incentives

WOMEN-OWNED BUSINESSES



ANNUAL REPORT CY 2007

TABLE OF CONTENTS

SUMMARY	2
DESCRIPTION OF INCENTIVES PROGRAMS	3
TABLE 1	
CHART 1	
CHART 2	
CHART 3	

SUMMARY

During the calendar year 2007 the Department of Economic Development offered the following incentives for the retention, expansion or start-up of businesses:

- Brownfield Jobs and Investment Tax Credit
- Business Use Incentives for Large-Scale Development
- Development Tax Credit
- Enhanced Enterprise Zone Tax Credit
- Enterprise Zone Tax Credit
- Loan Guarantee Fee Tax Credit
- Missouri Customized Training
- Missouri Quality Jobs Programs
- New Enterprise Creation Act
- New or Expanding Business Facility Tax Credit
- Rebuilding Communities Tax Credit

Total number of recipients was four hundred eighty four (484), out of which four hundred forty three (443) or 92% had complied to the information request. We began tracking this information during the 2007 year, for ease of reporting.

Out of four hundred eighty four (484) recipients, only thirty two (32) or 8% were women-owned businesses. Most of these companies were organized as a Corporation with Subchapter S (87) or as a General Corporation (107). The women-owned businesses received a total of \$2.3 million in incentives or 6% of the total.

DESCRIPTION OF INCENTIVES PROGRAMS

BROWNFIELD REDEVELOPMENT, 447.700 – 447.718, RSMO

The purpose of this program is to provide financial incentives for the redevelopment of commercial and industrial sites that are contaminated with hazardous substances and have been abandoned or underutilized for at least three years. The program authorizes remediation tax credit, demolition tax credit and jobs and investment tax benefits.

BUSINESS USE INCENTIVES FOR LARGE SCALE DEVELOPMENT, 100.700-100.820, RSMO

The purpose of this program is to provide a financial incentive for the location or expansion of large business projects. The incentives are designated to reduce necessary infrastructure and equipment expenses if a project can demonstrate a need for funding. The program provides state tax credits to a business in the amount of debt service payments for industrial revenue bonds related to a portion of project costs.

CAPCO – CERTIFIED CAPITAL COMPANY, 135.500- 135.529, RSMO

The purpose of this program is to induce private investments into certified venture capital funds that invest in new or growing Missouri small businesses. Private venture capital firms apply to the department for certification as a CAPCO that make equity investments in eligible Missouri businesses. CAPCOs are allocated state tax credits to be given to insurance companies that invest in the CAPCO funds. At this point, all credits allowed under the law have been authorized.

DEVELOPMENT TAX CREDIT, 32.100-32.125, RSMO

The purpose of this program is to facilitate a business project in order to create new jobs. The program offers state tax credits to taxpayers making contributions to a non-for-profit corporation for projects approved by DED. The credits are for 50% of the contribution of cash or the value of certain types of property.

ENHANCED ENTERPRISE ZONE TAX CREDIT, 135.950 – 135,973, RSMO

The purpose of this program is to provide tax credits to new or expanding businesses in a Missouri Enhanced Enterprise Zone. Enhanced Enterprise Zones are specified geographic areas designated by local governments and certified by the Department of Economic

Development. Tax credits may be provided each year for up to five years, based on tax credits reserved for the project.

ENTERPRISE ZONE TAX CREDIT, 135.200-135.270, RSMO

The purpose of this program is to provide tax incentives to facilitate the expansion of new or existing businesses in one of Missouri's many enterprise zones. Enterprise zones are specified geographic areas as certified by the Department of Economic Development (DED) based on demographic eligibility and approval of a request by the local governments. The credits are provided each year for up to ten years after the project commences operations unless the life of the enterprise zone expires before that time. Pursuant to SB 1155 (2004), the Enterprise Zone Tax Credit Program is being phased out of existence.

LOAN GUARANTEE FEE TAX CREDIT PROGRAM, 135.766, RSMO

The purpose of this program is to reduce the costs to small businesses in financing projects by providing tax credits for certain federal loan guarantee programs. DED will issue state income tax credits to an "eligible small business" for the amount of the guarantee fee paid to the U.S. Small Business Administration (SBA) or the U.S. Department of Agriculture (USDA) for a small business loan.

MISSOURI CUSTOMIZED TRAINING PROGRAM

The purpose of the program is to provide funding to Missouri employers for the training and retraining of new and existing employees. The Department of Economic Development, through the Division of Workforce Development, operates the program in cooperation with the Department of Elementary and Secondary Education. Missouri employers may apply for Classroom Training.

MISSOURI QUALITY JOBS PROGRAMS, 620.1875 – 620.1890, RSMO

The purpose of this program is to facilitate new quality jobs by targeted business projects. For "small and expanding" businesses, the benefits of the program are the retention of the state withholding tax of the new jobs. For "technology" and "high impact" businesses, the benefits of the program are (a) the retention of the state withholding tax of the new jobs; and (b) state tax credits, which are refundable and/or sellable. The program benefits are based on a percentage of the payroll of the new jobs. The program benefits are not provided until the minimum new job threshold is met and the company meets the average wage and health insurance requirements.

NEW ENTERPRISE CREATION ACT, 620.635 – 620.653, RSMO

The purpose of this program is to generate investment for Missouri startup businesses that have not developed to the point where they can successfully attract conventional financing or significant venture capital from large-stage funds. Prolog Ventures, LLC was selected as the Fund Manager to raise the tax refundable contributions and manage the investments of the fund. Prolog will make investments in qualified Missouri businesses in need of early-stage or “seed” funding. At this point, all credits allowed under the law have been authorized.

NEW OR EXPANDING BUSINESS FACILITY TAX CREDIT PROGRAM, 135.100-135.150, 135.258, RSMO

The purpose of the program is to provide tax incentives to facilitate the expansion of new or existing businesses in Missouri. State income tax credits are provided to the business based on the number of new jobs created and amount of new investment at the qualifying facility. The credits are provided each year for up to ten years after the project commences operations. Pursuant to SB 1155 (2004), the Business Facility Tax Credit Program is being phased out of existence.

REBUILDING COMMUNITIES TAX CREDIT PROGRAM, 135.535, RSMO

The purpose of this program is to stimulate business activity in Missouri’s “distressed communities” by providing tax credits to eligible businesses that locate, relocate or expand their business within a distressed community.

URBAN ENTERPRISE LOAN PROGRAM, 620.1023, RSMO

The purpose of this program is to assist Missouri’s small business owners with the creation, expansion and retention of their business enterprises located in the St. Louis and Kansas City urban areas. The department contracts for the administration of a micro-lending program.

Distribution of Tax Incentives Issued in Calendar Year 2007 for the retention, expansion or start-up of businesses

Incentives Programs

	Women-Owned Enterprises		Non-Women-Owned Enterprises		Non-Respondents		TOTAL	
	\$ Incentives	Credits Issued	\$ Incentives	Credits Issued	\$ Incentives	Credits Issued	\$ Incentives	Credits Issued
BFC - New/Expanding Business Facility	\$ 234,646.00	9	\$ 3,206,099.00	77	\$ 112,309.00	4	3,553,054	90
Brownfield Redevelopment	-	-	\$ 1,890,669.07	4	-	-	1,890,669	4
BUILD - Business Use Incentives for Large Scale Development	\$ 705,009.15	4	\$ 3,017,322.96	9	\$ 6,219,633.24	30	9,941,965	43
CAPCO - Certified Capital Company	-	-	-	-	-	-	-	-
DTC - Development Tax Credit	-	-	\$ 521,429.17	5	-	-	521,429	5
EEZ - Enhanced Enterprise Zone	-	-	\$ 548,100.20	10	-	-	548,100	10
EZ - Enterprise Zone	\$ 1,020,058.00	4	\$ 15,104,768.00	73	\$ 383,158.00	6	16,507,984	83
LGF - Loan Guarantee Fee	\$ 4,222.49	4	\$ 258,114.88	27	-	-	262,337	31
MQJ - Missouri Quality Jobs	\$ 23,135.44	1	\$ 50,902.94	2	-	-	74,038	3
MCT - Missouri Customized Training	\$ 183,000.00	13	\$ 2,792,052	150	-	-	2,975,052	163
NECA - New Enterprise Creation Act	-	-	-	-	-	-	-	-
RC 25% E - Rebuilding Communities 25% of new equipment	\$ 135,532.78	2	\$ 263,642.45	10	\$ 32,091.63	1	431,267	13
RC 40% E - Rebuilding Communities 40% of new equipment	\$ 12,757.60	1	\$ 914,384.01	33	-	-	927,142	34
RC 40% I - Rebuilding Communities 40% of income	-	-	\$ 132,067.60	5	-	-	132,068	5
UEL - Urban Enterprise Loan	-	-	-	-	-	-	-	-
TOTAL	\$ 2,318,361.46	38	\$ 28,699,552.54	405	\$ 6,747,191.87	41	\$ 37,765,105.87	484

Company Type

	Women-Owned Enterprises		Non-Women-Owned Enterprises		Non-Respondents		TOTAL	
	# Companies		# Companies		# Companies		# Companies	
Bank - Financial Institution	1		11				12	
Close-Corp. - Close Corporation			10				10	
Prof-Corp - Professional Corporation							-	
G-Corp - General Corporation	5		85		17		107	
LLC - Limited Liability Company	5		31				36	
LLP - Limited Liability Partnership							-	
LP - Limited Partnership			3				3	
Partnership							-	
S-Corp - Corporation, Subchapter S	13		74				87	
Sole, Propr. - Sole Proprietorship			2				2	
Unknown	8		141				149	
TOTAL	32		357		17		406	

Note:

Total number of participants and total number of companies will not agree because the same company can participate in various programs.

	Women-Owned	Non-Women-Owned	Unknown
Total Amount of Tax Credits Issued	\$ 2,318,361.46	\$ 28,699,552.54	\$ 6,747,191.87

Total Amounts of Tax Credits by Program	Women-Owned	Non-Women-Owned	Unknown
<i>BFC - New/Expanding Business Facility</i>	\$ 234,646.00	\$ 3,206,099.00	\$ 112,309.00
<i>Brownfield Redevelopment</i>	\$ -	\$ 1,890,669.07	\$ -
<i>BUILD - Business Use Incentives for Large Scale Development</i>	\$ 705,009.15	\$ 3,017,322.96	\$ 6,219,633.24
<i>CAPCO - Certified Capital Company</i>	\$ -	\$ -	\$ -
<i>DTC - Development Tax Credit</i>	\$ -	\$ 521,429.17	\$ -
<i>EEZ - Enhanced Enterprise Zone</i>	\$ -	\$ 548,100.20	\$ -
<i>EZ - Enterprise Zone</i>	\$ 1,020,058.00	\$ 15,104,768.00	\$ 383,158.00
<i>LGF - Loan Guarantee Fee</i>	\$ 4,222.49	\$ 258,114.88	\$ -
<i>MQJ - Missouri Quality Jobs</i>	\$ 23,135.44	\$ 50,902.94	\$ -
<i>MCT - Missouri Customized Training</i>	\$ 183,000.00	\$ 2,792,052.00	\$ -
<i>NECA - New Enterprise Creation Act</i>	\$ -	\$ -	\$ -
<i>RC 25% E - Rebuilding Communities 25% of new equipment</i>	\$ 135,532.78	\$ 263,642.45	\$ 32,091.63
<i>RC 40% E - Rebuilding Communities 40% of new equipment</i>	\$ 12,757.60	\$ 914,384.01	\$ -
<i>RC 40% I - Rebuilding Communities 40% of income</i>	\$ -	\$ 132,067.60	\$ -
<i>UEL - Urban Enterprise Loan</i>	\$ -	\$ -	\$ -

	Women-Owned	Non-Women-Owned	Unknown
Total Number of Tax Credits Issued	38	405	41

	Women-Owned	Non-Women-Owned	Unknown
Total Number of Businesses Receiving Tax Credits	32	357	17

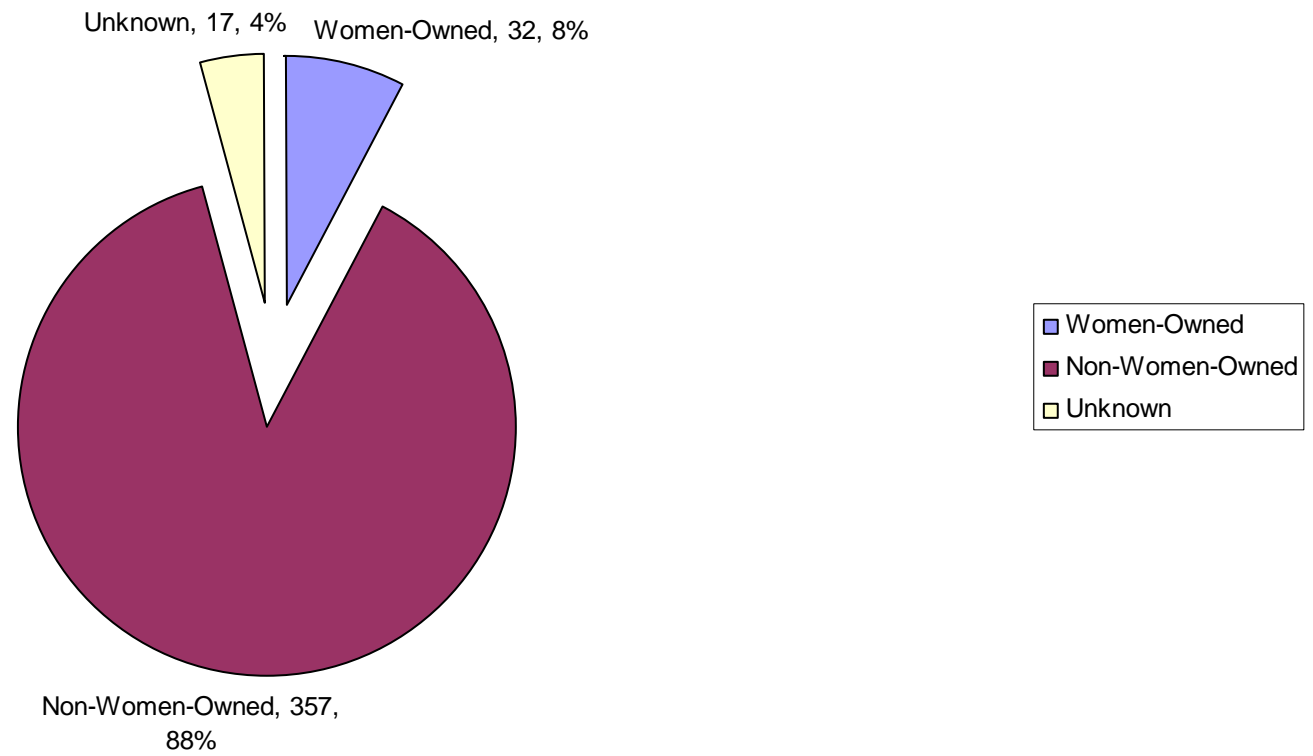
Total Companies by Program	Women-Owned	Non Women-Owned	No Response
----------------------------	-------------	-----------------	-------------

<i>BFC - New/Expanding Business Facility</i>	9	55	3
<i>Brownfield Redevelopment</i>	0	4	0
<i>BUILD - Business Use Incentives for Large Scale Development</i>	3	8	10
<i>CAPCO - Certified Capital Company</i>	0	0	0
<i>DTC - Development Tax Credit</i>	0	4	0
<i>EEZ - Enhanced Enterprise Zone</i>	0	9	0
<i>EZ - Enterprise Zone</i>	4	61	4
<i>LGF - Loan Guarantee Fee</i>	3	24	0
<i>MQJ - Missouri Quality Jobs</i>	1	2	0
<i>MCT - Missouri Customized Training</i>	8	141	0
<i>NECA - New Enterprise Creation Act</i>	0	0	0
<i>RC 25% E - Rebuilding Communities 25% of new equipment</i>	2	10	1
<i>RC 40% E - Rebuilding Communities 40% of new equipment</i>	1	23	0
<i>RC 40% I - Rebuilding Communities 40% of income</i>	0	4	0
<i>UEL - Urban Enterprise Loan</i>	0	0	0

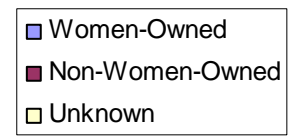
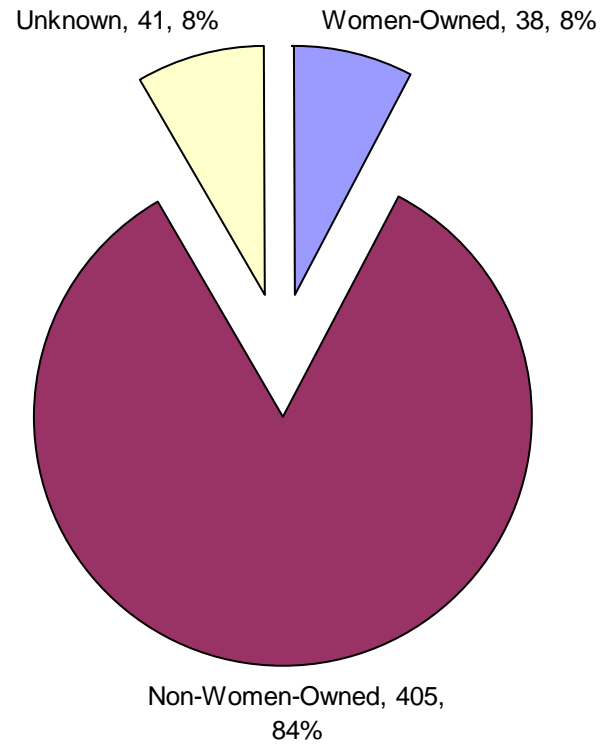
Types of Company

<i>Company Type</i>	<i>Women-Owned</i>	<i>Non Women-Owned</i>	<i>Unknown</i>
<i>Bank</i>	1	11	0
<i>C-Corp</i>	0	10	
<i>G-Corp</i>	5	85	17
<i>LLC</i>	5	31	0
<i>LLP</i>	0	0	
<i>LP</i>		3	
<i>Partnership</i>		0	
<i>Insurance</i>			1
<i>S-Corp</i>	13	74	0
<i>Sole Proprietorship</i>		2	

Total Number of Businesses Receiving Tax Credits



Total Number of Tax Credits Issued



Total Amount of Tax Credits Issued

